banks and financial institutions have been established on the Islamic economic concept of zero interest;

(b) whether any study has been made in India about its feasibility to mobilise savings in this country; and

(c) if not, whether Government, like many western countries, will take up such study thereby attracting savings from millions of the Indian population who believe in such a system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) Reserve Bank of India (RBI) has reported that some countries have introduced the concept of "zero interest banking." It has been further reported by RBI that according to information available with them, no study on such banking system has been made.

**विदेशी मुद्रा विनियमन अधिनियम के उल्लंघन-कर्ताओं के विरूद्ध कार्यवाही**

2484. **श्री ईश दत्त यादव:**
**श्री नागमणि:**

क्या **वित्त** मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि विदेशी मुद्रा विनियमन अधिनियम के उल्लंघन के मामले में संलिप्त व्यक्तियों के विरुद्ध कार्यवाही वर्ष 1995 के बाद से अब तक पूरी नहीं की गई है और उसके परिणामस्वरूप उन्हें कोई सजा नहीं दी जा सकी है;

(ख) यदि हां, तो उन व्यक्तियों के नाम क्या-क्या हैं जिनके विरूद्ध वर्ष 1995 से कार्यवाही पूरी नहीं की गई है और इस संबंध में प्रत्येक मामले में विलम्ब के क्या कारण हैं; और

(ग) क्या सरकार ऐसे मामलों में हो रही अनावश्यक देरी के कारणों की समीक्षा करेगी, यदि हां, तो तत्संबंधी ब्यौरा क्या है?

**वित्त मंत्रालय में राज्य मंत्री (श्री एम०पी० वीरेन्द्र कुमार):** (क) से (ग) विदेशी मुद्रा विनियमन (फेरा) के उल्लंघन के मामले को अंतिम रूप से निपटाए जाने के पहले जांच, न्याय-निर्णयन, अभियोजन तथा अपीलों जैसे विभिन्न चरणों से गुजरना होता है। अतः कार्रवाई को पूरा होने में दो वर्ष से ज्यादा समय लगता है।

**Vacant post of CMD of UCO Bank**

2485. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) the reasons for the post of Chairman and Managing Director of the United Commercial Bank remaining vacant for a long time;

(b) whether the absence of an executive head has affected the functioning of the Bank; and

(c) the steps proposed to be taken to improve the Bank's operating profile?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The post of Chairman and Managing Director of UCO Bank has fallen vacant with effect from 23rd October, 1996. Action has already been initiated for filling up the vacancy.

(b) In terms of the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the general superintendence, directions and management of the affairs of the bank vests in the Board of Directors. The said Act further provides that the Board of Directors of the bank shall include, inter-alia, not more than two whole time directors to be appointed by the Central Government after consultation with the Reserve Bank of India. One of the wholetime directors is designated as the Chairman and Managing Director and the other is Executive Director. The Executive Director of the bank has been advised to coordinate the affairs of the bank with effect from 23rd October, 1996 and until appointment of a regular

Chairman and Managing Director of the bank. The financial and administrative powers of the Chairman and Managing Director are to be excercised by the Board of Directors of the bank during this period.

(c) Reserve Bank of India (RBI) had appointed ICRA Ltd., consultants to conduct an indepth study with a view to suggesting strategies for the turnaround of UCO Bank. The consultants have made a number of recommendations towards improving the performance of the bank. The bank has entered into Memorandum of Understanding (MOU) with the unions/associations with a view to ensuring involvement of staff in developmental efforts, clearing of arreas and elimination of restrictive practices. The bank has been advised by RBI to conduct a study for identification of staff in surplus pockets and explore the possibility of shifting them deficit areas. The performance of the bank is being closely monitored.

**Voluntary Disclosure Scheme**

2486.SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) the basic objectives of the Voluntary Disclosure Scheme (VDS):

(b) the extent to which the scheme has been successful in achieving the objectives;

(c) the amount of black money disclosed under the scheme since its inception;

(d) whether Government propose to review the VDS; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) The basic objective of the Voluntary Disclosure Scheme, details of which are available in Chapter IV (clauses 60 to 77) of the Finance Bill, 1997, is to channelise unaccounted money into the mainstream of the economy;

(b) and (c) Since the Voluntary Disclosure Scheme of 1997 shall come into force prospectively from the date of its notification in the Official Gazette the success of the scheme cannot be ascertained at this stage. Earlier schemes have met with varying degrees of success and apart from their productive use have led to collection of additional taxes in the process.

(d) and (e) Do not arise in view of (b).

**Companies on Watch-List for Adhering to Norms of Corporate Governance**

2487. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether some top companies have been put on a special watch-list and their managements are likely to be monitored by special task force of financial institutional nominees to ensure that they adhere to the norms of ethical corporate governance;

(b) If, so the details of these companies; and

(c) the results of the monitoring achieved so far and the follow-up action taken or proposed to be taken against the defaulting companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) Government has not put any company or management on a special watch-list. However, Government had suggested to some of the financial institutions, namely, IDBI, ICICI and UTI to study the practices of corporate governance by major Indian corporates. The financial institutions have discussed the matter with the Confederation of Indian Industry (CII) and CII has set up a Task Force on corporate governance.